

The Loan Arranger

Winter 2000

Municipal Facilities Section - Environmental Assistance Division
Michigan Department of Environmental Quality 

Project Planning Done Right

By Chip Heckathorn

The key to any successful State Revolving Fund or Drinking Water Revolving Fund project lies in the quality of an applicant's project planning. In completing a project plan, an applicant undertakes a detailed examination of its existing system and projected needs over a 20-year planning period, and then selects the alternative that best meets those needs. A critical and necessary element of the planning effort involves addressing Federal crosscutting authorities and determining what state permits will be required. This is accomplished while ascertaining the potential impacts the project will have on resources regulated under these programs.

A number of the crosscutting/permitting authorities rest with the Department of Environmental Quality's (DEQ) Land and Water Management Division (LWMD), including:

- Wetlands
- Floodplains
- Great Lakes Shorelands
- Great Lakes Submerged Lands
- Inland Lakes and Streams
- Soil Erosion and Sedimentation Control
- Sand Dunes Protection

During project planning, applicants are required to contact the LWMD, provide a detailed description of the proposed project, and using input from LWMD staff, provide a discussion of the impacts the proposed project will have on these resources. The plan must evaluate alternatives and propose mitigative measures to lessen and/or compensate for resource impacts that cannot be avoided.

In many instances, this evaluation will result in the realization that one or more LWMD permits will be necessary. Although it can be argued that these permits

are not necessary until construction starts, it is in the best interest of all involved to apply for and obtain these permits as early as possible. The application detail and permit conditions in some cases will provide the information necessary to adequately complete the project plan review process and complete the state authored Environmental Assessment.

You should maintain close contact with your assigned DEQ project manager during preparation of the project plan. He/she can provide assistance regarding these planning requirements. Mr. Les Thomas, Chief of the Permit Consolidation Unit of the LWMD, can be reached at 517-335-3464 for specific questions about the referenced permits.

Deadlines for Submission of Project Plans for the Fiscal Year 2001 Project Priority Lists

The cut off date for submission of Project Plans for the Drinking Water Revolving Fund is May 1, 2000. These plans must be submitted to our office by close of business on May 1, 2000 OR postmarked on that date.

For the State Revolving Fund, the cut off date is July 1, 2000. As July 1st is on a Saturday, hand delivery to our offices must not be later than June 30, 2000. For submission via U.S. mail, a July 1, 2000 postmark will be accepted.

Hello and Welcome to New Staff Members

Jeff Spencer, a Midland native, joins the East Unit of the Municipal Facilities Section (MFS) as an Environmental Quality Analyst (EQA)/project manager. Prior to joining the MFS of the Environmental Assistance Division, he worked for a petroleum retailer in Mt. Pleasant, and more recently as a project manager for an environmental consulting firm located in Lansing. After accepting a position in 1992 with the environmental consulting firm, he completed his undergraduate degree in Geology at Central Michigan University. Jeff's experiences with the consulting firm included conducting soil and groundwater field investigations, supervising underground storage tank removals and cleanups, delineating and mitigating free product plumes, report generation, and the subsequent evaluation of data for site closure and long term monitoring. Jeff's free time is spent with his wife of 9 years, Beth, and two children, Kelsey (4 yrs) and Jake (2 yrs). Jeff's family partakes in a variety of outdoor and indoor activities; playing ball, golfing, swimming, going to the park, camping, day hikes, movies, cooking, reading books, and just running around doing nothing in particular. Any additional free time is spent working around the house which also doubles as his hobby.

Neisee McArthur-Williams received both her Master's in Environmental Science and Bachelor's in Biology/Marine Science from Jackson State University in Mississippi before joining the East Unit of the MFS as an EQA/project manager. She has two and a half years of laboratory and field research experience analyzing the bioremediation process of agrichemicals in water and soil samples from a wetland mesocosm study and the Mississippi River. Mrs. Williams has analyzed water from the Gulf of Mexico for three years by using marine fisheries biology and aquatic toxicology with herbicides. At Gifford Pinchot National Forest in Washington she surveyed streams, analyzed data for stream conservation, and actively fought forest fire after fire-training school making her a qualified forest fire fighter. She loves hiking, cooking, reading, and relaxing by large bodies of water with her new husband.

Farewell and Best Wishes

Anshu Varma, who served as an analyst in our Technical Support Unit for nine years, has taken a position as an auditor in the Department of Consumer and Industry Services. No doubt, many of our readers have worked with Anshu during preparation and review of user charge systems and intermunicipal service agreements for projects in the old Construction Grants Program and in both the State Revolving Fund and Drinking Water Revolving Fund programs. We will definitely miss Anshu, and we wish her well in her new career.

Les Smith, who has been with the Municipal Facilities Section as an EQA/project manager for two years, has taken a promotion to work with the DEQ Geological Survey Division. Les has seven years of varied experience with the Department, and now he will be conducting environmental compliance activities related to oil and gas wells.

We will miss his positive outlook, hard work, and dedication to getting the job done; and we wish him continued success in his new position.

State Loan Program Tops \$1 Billion Mark in Assistance to Communities

The State Revolving Fund (SRF) for wastewater projects has provided more than \$1 billion in low-interest loans since 1988.

Accomplishments of the SRF were highlighted during a celebration at the Michigan Library and Historical Center in Lansing in November. The SRF and the Drinking Water Revolving Fund are administered jointly by the Department of Environmental Quality's Municipal Facilities Section and the Department of Treasury's Municipal Bond Authority. This unique partnership effectively carries out these important loan programs by blending the administrative and financing services of these two state departments.



Recent fourth-quarter SRF awards brought the total amount of loans issued during the past 10 years to \$1,076,800,000. The loans have been awarded to 99 communities for 165 projects, resulting in significant benefits to the state's water resources.

The Michigan Legislature passed the State Revolving Fund Act in 1988, qualifying Michigan for participation in this joint federal/state program that was created pursuant to 1987 amendments to the federal Clean Water Act.

Types of projects that have been funded are combined sewer overflows, 46 percent; secondary treatment, 23 percent; advanced treatment, 1 percent; major and

minor rehabilitation, 6 percent; new interceptor sewers, 16 percent; and new collecting sewers, 8 percent.

The environmental benefits resulting from this work are significant. Combined sewers, which carry storm water and sewage, overflow during heavy rains. Dozens of Michigan cities have these systems, which were acceptable years ago. The DEQ has made correction of these systems a major long-term water quality objective, and nearly half of the SRF funding has gone to this effort with very good results.

Examples of communities receiving SRF assistance include:

- The city of Grand Rapids, which has reduced its combined sewer overflow discharges by 90 percent in the last five to eight years.
- Southeastern Michigan, where the program has funded 15 projects that are tributary to Lake St. Clair for a total of \$128 million. Two other projects are to receive funding in 2000 and 2001.
- In Detroit, the first \$40 million of the city's \$1 billion combined sewer overflow project was funded in fiscal year 1999.
- The SRF has also provided \$66.5 million to assist the city of Lansing in its \$176 million, multiyear program to correct combined sewer overflows to the Grand River.

Michigan made its first loan on Sept. 20, 1989, to the city of Marshall for \$1.8 million. Since Michigan's program began, there have been \$692 million in federal capitalization grants, with \$138 million in state match.

In fiscal year 1999 the SRF funded \$245 million in projects due to the revolving nature of the program. Had grants been used rather than revolving loans, the state could have provided only \$59 million in assistance.

Thirty-four Michigan communities are seeking a total of \$350 million in SRF assistance for fiscal year 2000. We currently anticipate being able to only provide \$200 million in loans during the fiscal year.

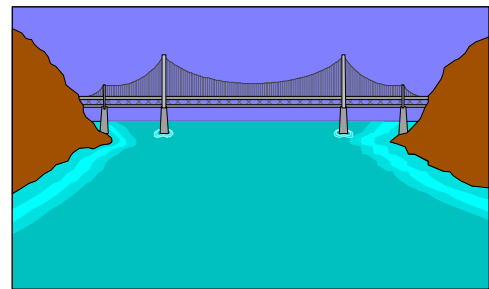
Aquatic Nuisance Species Handbook Now Available

The purpose of the Aquatic Nuisance Species Handbook is to educate local, county and state government officials about problems and solutions relating to the on-going invasion and spread of aquatic nuisance species, such as the zebra mussel, Eurasian milfoil, purple loosestrife, and round goby. The handbook was developed pursuant to Michigan's Comprehensive State Management Plan targeting non-native species.

These non-native species, also known as exotics, compete with native species for food, alter food webs, destroy habitat, and can even lead to the death and extinction of less aggressive species. They can also multiply quickly due to lack of predation.

The state has already seen the physical damage that has been caused by zebra mussels, which were first discovered in the Great Lakes in 1988. Since their invasion, zebra mussels have cost industries and drinking water facilities millions of dollars in removal and repairs in order to maintain clear water intakes.

This handbook identifies many aquatic nuisance species, as well as their current distribution. It also illustrates effective techniques that can be used by boaters and fishermen to help prevent and control the spread of exotics into other lakes and rivers.



The most important step against the introduction and spread of these species into the Great Lakes is public awareness and education, and this new handbook will prove very useful in this regard.

Copies of the handbook can be obtained from the DEQ Office of the Great Lakes, 517-335-4056, or fax 517-335-4053. It is also available on the Internet at: www.deq.state.mi.us/ogl/an.pdf

We Want Your Input!!

Is there something you would like to see covered in future issues of this newsletter?

Any suggestions for how we can improve it?

Is it of any use to you? If not, would you like to be removed from our mailing list?

Please direct your comments to Cindy Salmon, Editor of *The Loan Arranger* at the address on the back cover. You may also call 517-373-6626, or send e-mail to salmonc@state.mi.us.

The Loan Arranger

ENVIRONMENTAL ASSISTANCE DIVISION
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
PO BOX 30457
LANSING MI 48909-7957

FIRST CLASS
U.S. POSTAGE
PAID
LANSING, MI
PERMIT NO. 1200

Return Service Requested

State of Michigan
John Engler, Governor
Michigan Department of Environmental Quality
Russell J. Harding, Director
Environmental Assistance Division
Paul Zugger, Chief

MUNICIPAL FACILITIES SECTION

Thomas Kamppinen, Chief
Dave Krusik, East Unit Chief
Chip Heckathorn, West Unit Chief
Telephone: 517-373-2161 Fax: 517-335-0743
INTERNET: www.deq.state.mi.us/ead/mfsect/

The Loan Arranger is published tri-annually by the Municipal Facilities Section.

Correspondence may be addressed to *The Loan Arranger* Editor:

MUNICIPAL FACILITIES SECTION
ENVIRONMENTAL ASSISTANCE DIVISION
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
PO BOX 30457
LANSING MI 48909-7957

The Michigan Department of Environmental Quality (MDEQ) will not discriminate against any individual or group on the basis of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. Questions or concerns should be directed to the MDEQ Office of Personnel Services, PO Box 30473, Lansing, MI 48909.



Environmental Assistance Center

800-662-9278

E-mail: deq-ead-env-assist@state.mi.us

